

Educational (1902) Department.

ORDINARY PRINTED.

G.O., No. 459

DATED 6. 8. 02

N. P.

INDEXED.

ORIGINAL

[Despatch Abstract.]

Purchase of Aluminium. Sanctioning payment
of the interest of Rs 90-6-4 to Messrs Best & Co on account
of aluminium purchased from them & requesting the
A.G. to admit all similar charges.

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Government {1902} of Madras. EDUCATIONAL.

Recd.

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} 1902. Enclosures
Spare copies

ORIGINAL

G.O., No. 459, 6th August 1902.

N. P.

AUGUST.

Purchase of Aluminium.

Sanctioning payment of the interest of Rs. 90-6-4 to Messrs. Best & Co. on account of aluminium purchased from them, and requesting the Accountant-General to admit all similar charges.

GOVERNMENT OF MADRAS.

EDUCATIONAL DEPARTMENT.

READ—the following paper:—

From the Hon'ble Mr. G. H. STUART, M.A., Director of Public Instruction, to the Secretary to Government, Educational Department (through the Accountant-General), dated Madras, 29th May 1902, Ref. on C. No. 3445.

I have the honour to request that the sanction of Government may be obtained for the payment by the aluminium department of the School of Arts of Rs. 90-6-4 being the interest charged at $\frac{1}{2}$ per cent. on the invoices of the British Aluminium Company (Limited). Mr. Chatterton says that the charge may be avoided by advancing money for the metal at the time the indents are prepared; but that the arrangement will not be convenient. The charge is reported to be a fair one as it represents interest at the rate of 6 per cent. per annum for the month that the metal is on its way from England to India, and it will be met from the contingent allotment of the aluminium department in the budget estimate for the current year.

No. P.A.-146/2481.

Submitted to Government.

This application has arisen out of an audit objection raised by this office, but since that date there have been further charges for interest for Rs. 155-3-4, so that the aggregate now amounts to Rs. 245-9-8.

It is explained by Mr. Chatterton that the British Aluminium Company draw bills at four months' sight on Messrs. Best & Co. from the date of shipment of aluminium. On these bills Messrs. Best & Co. pay interest, and Mr. Chatterton has agreed to pay one month's interest on the bills at 6 per cent. per annum as by so doing he enables Messrs. Best & Co. to meet the bills without loss, and he adds that the rates paid to Messrs. Best & Co. are the rates charged them by the British Aluminium Company.

FORT ST. GEORGE,
14th June 1902.

C. E. CRAWLEY,
Offg. Accountant-General.

ORDER—No. 459, Educational, dated 6th August 1902.

The payment of the interest specified, viz., Rs. 90-6-4, is sanctioned.

2. The Accountant-General will be requested to admit all similar charges for interest.

(True Extract.)

H. A. STUART,
Ag. Secretary to Government.

To the Director of Public Instruction.
,, Financial Department.

Exd. S. J. Pereira.

EDUCATIONAL DEPARTMENT.

NOTES CONNECTED WITH G.O., No. 459, EDUCATIONAL,
DATED 6TH AUGUST 1902.

[SUBJECT.—*Payment of interest on account of aluminium purchased.*]

From the Director of Public Instruction, Ref. on C. No. 3445, dated 29th May 1902.

The payment of the interest may perhaps be sanctioned in the circumstances stated.

2. Aluminium is sold to Mr. Chatterton in India at the current prices ruling in England; hence the interest for the month that the metal is on its way from England to India.

T. KANAKASUNDARAM PILLAI—18-6-02.

May be sanctioned; but the Financial department should concur in the disposal.

A. T. PRINGLE—19-6-02.

H. A. STUART—21-6-02.

To the Financial department.

FINANCIAL DEPARTMENT.

Mr. Chatterton states that this charge for interest can be avoided by advancing money for the metal at the time the indents are prepared; but that the arrangement will not be convenient. It is not quite clear how the inconvenience will arise or whom it will affect. If by "advancing money for the metal" is meant paying for each indent at current rates when it is made, it is Government that will be most affected as Government finds the money. But as Provincial does not reap interest on its balances, and as Provincial pays $\frac{1}{2}$ per cent. *per mensem* by deferring payment, it would be to the advantage of Provincial to put an end to the present arrangement. This course would necessitate a little more account-keeping in the way of adjustments between Mr. Chatterton and Messrs. Best & Co. and would not apparently save the entire interest charge in all cases, but it would produce some saving. The question also arises whether this charge for interest would not be saved if the India office purchased and sent out the aluminium.

If Mr. Chatterton did not mention it, he ought to have.

G. S. FORBES.

The interest arrangement does not appear to have been mentioned to India when sanction was obtained to the local purchase of aluminium (Letter No. 139, Educational, dated 12th March 1902). The whole matter is, however, rather obscure, and the arrangement is so foreign to the usual method in which Government procures stores for its services that it is submitted that, with the concurrence of Educational, the Accountant-General may be asked (u.o.) to give his opinion on the desirability of the continuance of the practice. All that his official endorsement shows us is that he has objected to the charge in audit.

C. M. SCHMIDT—1-7-02.

Yes: I think we should know what the Accountant-General says. Mr. Chatterton is a difficult character to deal with.

G. S. FORBES—2-7-02.

To the Educational department.

EDUCATIONAL DEPARTMENT.

Educational may concur in the proposed reference to the Accountant-General.

T. KANAKASUNDARAM PILLAI—3-7-02.

A. T. PRINGLE—4-7-02.

H. A. STUART—4-7-02.

To the Accountant-General.

G. S. FORBES—6-8-02.

The reasons why it was thought best to purchase the aluminium locally from Messrs. Best & Co. are explained in G.Os., Nos. 138 and 139. The system may have its advantages, but, as matters stand, we have no effectual check over the charges.

Messrs. Best & Co. are agents for the British Aluminium Company which sends invoices of its supplies to Messrs. Best & Co.

Messrs. Best & Co. send these on to Mr. Chatterton converting the sterling rates into rupees at the rate of the day and adding charges for freight, duty, harbour dues, landing, and cart-hire. Recently a further item of $\frac{1}{2}$ per cent. interest has been added, and Mr. Chatterton's explanation is that "the British Aluminium Company draw bills at four months' sight on Messrs. Best & Co. from the date of shipment of aluminium. On these bills Messrs. Best & Co. pay interest, and I have agreed to pay one month's interest on the bills at 6 per cent. as by doing so I enable Messrs. Best & Co. to meet the bills without loss. It should be remembered that the rates we pay Messrs. Best & Co. are the rates charged them by the British Aluminium Company."

On further inquiry it was ascertained that the reason why the item called interest did not appear in previous bills was that it was included under the item landing charges, harbour dues, etc. There is no written agreement about the interest; and probably, even if the entry of interest were not distinctly shown, it would make little or no difference, inasmuch as neither the prices nor the added charges are susceptible of effectual audit; and apparently interest has all along been charged whether entered as such in the bill or not.

A In these circumstances it is, I think, open to question whether the administrative facilities of the present system are so great as to outweigh the disadvantages which I have pointed out in this note.

C. E. CRAWLEY—11-7-02.

FINANCIAL DEPARTMENT.

It is submitted that this department may agree in the view expressed at **A** in the Accountant-General's note.

C. M. SCHMIDT—16-7-02.

For orders.

G. S. FORBES—19-7-02.

Does the Accountant-General mean that Best & Co.'s supply should be given up and supply made by the India office, or what does he mean?

J. T[HOMSON]—20-7-02.

Yes, that is what the Accountant-General does mean; but as the decision to allow Mr. Chatterton to procure through Messrs. Best was taken deliberately, probably Government will not care to alter it now.

G. S. FORBES—21-7-02.

We cannot alter.

J. T[HOMSON]—29-7-02.

The file may, it is submitted, return to Educational.

C. M. SCHMIDT—30-7-02.

G.S.F.—1-8-02.

To the Educational department.

EDUCATIONAL DEPARTMENT.

The draft placed below may issue with the concurrence of the Financial department.

P. T. THARYAN—1-8-02.

A. T. PRINGLE—2-8-02.

The draft may issue with the concurrence of the Financial department. I think, however, that the whole system is rotten and I propose to write to the Director of Public Instruction demi-officially or to speak to him about it; so please send me a complete file after issue.

H. A. STUART—3-8-02.

To the Financial department.

FINANCIAL DEPARTMENT.

The communication to the Accountant-General had better go through Financial. Educational may be asked to send Financial a copy of the notes.

C. M. SCHMIDT—5-8-02.

G. S. FORBES—5-8-02.

To the Educational department.

EDUCATIONAL DEPARTMENT.

The draft may now issue. [The Secretary's call for a complete file has been noted.]

P. T. THARYAN—6-8-02.

A. T. PRINGLE—6-8-02.

[G.O., No. 459, Educational, dated 6th August 1902.]

Educational (1902) Department.

/The Accountant General/

CURRENT No. 915

From

[Name] The Honble Mr. G. H. Stuart, M.A.,[Designation] Director of Public Instruction,[Station] MadrasRef No. 3445 of 02.Dated 29th May 1902.

Enclosures _____

Received 16 JUN 1902 190 .Registered 8 190 .

SUBJECT.

Requesting sanction of Govt. for the payment by the Museum Dept. of the school of arts to of Rs 90-6-4 being the interest charged at $\frac{1}{2}$ per cent on the invoices of the British Museum Company (Limited).

BACK PAPERS.

Encl. 5 of 2nd series of 1902 ✓
 " 138-9 of 12. 3-02 ✓
 " 333 of 3-6-02 " abt. ✓

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 1000 notes

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190 .

DATED

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ENCLOSURES TO G.No.

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LETTER OF GOVERNMENT.

STATEMENT WITH DETD.

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